



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

April 20, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Guidance

4/17/12 IRS/Treasury published a notice of proposed rulemaking and a notice of public hearing regarding "Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund." The proposed regulations implement and provide guidance on the fees imposed by the ACA on issuers of certain health insurance policies and plan sponsors of certain self-insured health plans to fund the Patient-Centered Outcomes Research Trust Fund (the "Trust Fund"). The proposed regulations affect the issuers and plan sponsors that are directed to pay those fees.

Created under §6301 of the ACA, the Patient-Centered Outcomes Research Institute, or PCORI, is an independent nonprofit tasked with conducting patient-centered outcomes research and gathering public feedback to help define that term. PCORI was created to provide information about the best available evidence to help patients and their health care providers make more informed decisions.

§6301 of the ACA amended the Internal Revenue Code by adding a new section to establish the "Trust Fund", which is the funding source for the Institute. §6301 of the ACA also added new sections to the Code to provide a funding source for the Trust Fund that is to be financed, in part, by fees paid by issuers of specified health insurance policies and sponsors of applicable self-insured health plans.

Comments on the proposed regulations are due July 30, 2012.

A hearing on the proposed regulations is scheduled for August 8, 2012. Please see the notice for more information about the hearing.

Read the notice and proposed rule (which published on the Federal Register on 4/17/12) at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-04-17/pdf/2012-9173.pdf>

More information on PCORI can be found at: <http://www.pcori.org>

Prior guidance can be viewed at www.healthcare.gov

News

4/16/12 HHS announced that health insurance premium increases by two health insurers have been deemed unreasonable under the rate review authority granted by §1003 of the ACA. After independent expert review of the rates, HHS determined that two insurance companies have proposed unreasonably high health insurance premium increases in six states (Arizona, Louisiana, Missouri, Montana, Nebraska and Wyoming).

HHS determined that the rate increases, as high as 24%, requested by Time Insurance Company, a unit of Assurant Life, and United Security, were unreasonable and called for the insurers to either offer rebates to customers or rescind premium increases. HHS determined that Time Insurance's rate increases in five states were based on unreasonable assumptions by the company and that a newly announced premium increase by United Security in Arizona was unreasonable because the company had not even tried to justify it. The excessive rate hikes would affect over 60,000 individual and small group insurance customers in the six states.

The rate review program requires that insurers seeking rate increases of 10% or more for non-grandfathered plans in the individual and small group markets publicly and clearly disclose the proposed increases and the justification for them. Such increases are reviewed by either state or federal experts (in states that do not have a rate review program deemed effective by HHS) to determine whether they are unreasonable. Although the ACA does not grant HHS the authority to block a proposed rate increase, companies whose rates have been determined unreasonable must either reduce their rate hikes or post a justification on their website within 10 days of the rate review determination.

Information on these specific determinations is available at:

<http://companyprofiles.healthcare.gov/>

A comprehensive report on the rate review program is available at:

<http://www.healthcare.gov/law/resources/reports/rate-review03222012a.html>

General information about rate review is available at:

<http://www.healthcare.gov/law/features/costs/rate-review/>

4/13/2012 HHS announced that, as of February 29, 2012, the Pre-Existing Condition Insurance Plan (PCIP) under ACA §1101 is providing insurance to approximately 56,000 people with high-risk pre-existing conditions nationwide. The new numbers show that there are 11 Massachusetts residents who are enrolled in this program. Massachusetts and Vermont are guarantee-issue states where existing commercial plans already offer guaranteed coverage at premiums comparable to PCIP so the need for such a program may not be as high as in other states. In May 2011 CMS announced a policy change to the PCIP in states with a federally-administered PCIP program, such as Massachusetts. The change stated that United States citizens and nationals who have been without health insurance for at least six months can qualify for coverage if they can provide a letter from a doctor, physician assistant, or nurse practitioner dated within the past 12 months stating that they have or, at any time in the past, had a medical condition, disability, or illness. Applicants do not need to provide a denial letter from an insurance company. This may have provided an additional opportunity for individuals with pre-existing conditions in the state who might have to wait up to eleven months to enroll in other plans in the state due to eligibility or open enrollment restrictions under Massachusetts law. The last enrollment update, which shows enrollment through December 31, 2011, showed five enrollees in the state.

For more information, visit:

<http://www.healthcare.gov/news/factsheets/2012/04/pcip04132012a.ht>

4/13/12 The Commonwealth Fund published an issue brief called "Innovative Strategies to Help Affordable Consumer Operated and Oriented Plans (CO-OPs) Compete in New Insurance Marketplaces." The CO-OP Program provides loans to private entities to foster the creation of consumer-governed, private, nonprofit health insurance issuers to offer qualified health plans in the health insurance exchanges. Established under §1322 of the ACA, the goal of CO-OP program is to create a new CO-OP in every state in order to expand the number of exchange health plans with a focus on integrated care and plan accountability. This issue brief outlines several innovative strategies CO-OP organizers are developing to increase their long-term sustainability and economic success. These strategies are aimed at building market share, creating integrated provider networks, and achieving cost savings through payment reform in order to maintain the viability of CO-OPs in the health care marketplace. The report also mentions assets the CO-OPs have, including that they're exempt from federal taxes and can market themselves as a customer-oriented alternative to traditional insurers.

Read the brief at: [Commonwealth Fund](#)

4/13/12 The Substance Abuse and Mental Health Services Administration (SAMHSA) launched a new health insurance enrollment resource webpage. The SAMHSA webpage is designed to help users find information about health insurance coverage options and state specific ACA implementation activities. Specifically, the resources on the webpage include: 1) a web link to the insurance finder at the federal website [healthcare.gov](http://www.healthcare.gov); 2) information about current health insurance options, such as Medicaid, CHIP and the Pre-Existing Condition Insurance Plan (and web links to the federal program pages); 3) information about health insurance options available starting January 1, 2014, including expanded Medicaid eligibility and coverage through the health insurance exchanges; 4) information about specific populations, such as young adults and individuals who have difficulty sustaining health insurance coverage (both populations with disproportionately high behavioral health needs); 5) Provider specific information, such as webinars, fact sheets, and business operations resources; and 6) state specific information, such as state level behavioral health prevalence data, webinars, and information on state SAMHSA projects that awarded grants to peer-run/recovery community organizations that work to increase public awareness about behavioral health services available through the ACA.

The SAMHSA enrollment webpage can be found at:

<http://www.samhsa.gov/enrollment/index.aspx>

4/12/12 The NASHP State Reform team hosted a webinar "Building It from the Ground Up: A Conversation with State Health Insurance Exchange Leaders." As authorized under ACA §1311, beginning in January 1, 2014, state health insurance exchanges will operate as a one-stop marketplace for consumers and small businesses to compare and shop for affordable, quality health plans. Susan Dentzer, the Editor-in-Chief at Health Affairs, moderated the discussion with exchange directors from three states: Richard Fiore (Alabama), Patty Fontneau (Colorado), and Peter Lee (California). During the webinar the exchange directors discussed: What they've accomplished so far, the challenges they see ahead, their major policy priorities and how they work with other agencies and partners across program boundaries.

The [NASHP State Reform website](#) is an online network for health reform implementation which connects state health officials looking for information and assistance with their peers and

other experts who have relevant resources and experiences to share. The site is an initiative of the National Academy for State Health Policy, funded by the Robert Wood Johnson Foundation.

View the webinar at: <http://www.statereforum.org/node/9770>

Sign up to receive their weekly newsletter which summarizes site content such as health reform documents, discussions, and blog posts: [NASHP State Refor\(u\)m website](#)

4/11/12 The CMS Innovation Center announced seven geographic markets to implement the Comprehensive Primary Care (CPC) initiative, a funding initiative authorized through the Innovation Center under §3021 of the ACA. The CPC initiative is a multi-payer initiative fostering collaboration between public and private health care payers to strengthen primary care. Under the new initiative, Medicare will work with commercial and state health insurance plans to offer additional support to primary care doctors who better coordinate care for their patients.

According to CMS, the seven markets were selected based on a pool of applicants, which include private health plans, state Medicaid agencies, and employers, that proposed to pay for and support comprehensive primary care coordination in partnership with Medicare. The selected markets are: 1) Arkansas: Statewide, 2) Colorado: Statewide, 3) New Jersey: Statewide, 4) New York: Capital District-Hudson Valley Region, 4) Ohio: Cincinnati-Dayton Region, 5) Oklahoma: Greater Tulsa Region, and 6) Oregon: Statewide. Once the participating payers enter into agreements with CMS, approximately 75 primary care practices will be selected to participate in the initiative in each designated market and each will receive a new care management fee in addition to traditional fee-for-service payments on behalf of Medicare fee-for-service beneficiaries to support enhanced primary care services for their patients. Enhanced services include: improved care coordination; delivering preventive care; engaging patients and caregivers in managing their own care, and providing individualized care for patients with multiple chronic diseases.

More information on the seven markets and the Comprehensive Primary Care initiative is available at: <http://innovations.cms.gov/initiatives/Comprehensive-Primary-Care-Initiative/index.html>

4/11/12- 4/12/12 The Advisory Group on Prevention, Health Promotion, and Integrative and Public Health held their fifth meeting at HHS in Washington, DC. Meeting materials, including presentations, briefs and reports, are available at: [Healthcare](#)
View the meeting agenda at: [Healthcare](#)

The **Advisory Group**, created by President Obama in January 2011 (as required by the ACA), provides guidance to members of the **National Prevention, Health Promotion, and Public Health Council. The Council was created by President Obama** in June 2010, as required by §4001 of the ACA, to develop a National Prevention Strategy and provide coordination and leadership at the federal level and among all executive departments and agencies with respect to prevention, wellness and health promotion practices.

More information on the National Prevention Council can be found at: <http://www.healthcare.gov/prevention/nphpphc/index.html>

The **National Prevention Strategy**, a comprehensive plan that will help increase the number of Americans who are healthy at every stage of life, was announced in June 2011 by members of the National Prevention Council, including HHS Secretary Kathleen Sebelius, Surgeon General Regina Benjamin (Council Chair) and Domestic Policy Council Director Melody Barnes. Read about the Strategy at: [NPHPPHCStrategy](#)

Secretary JudyAnn Bigby, M.D. was named to serve on the Advisory Group.

More information on the Advisory Group, including its members, can be found at: [Moreinfo](#)

Upcoming Events

Integrating Medicare and Medicaid for Dual Eligible Individuals Open Meeting

May 14, 2012, 1:30 PM - 3:30 PM

State Transportation Building, Conference Rooms 1, 2, & 3, Second Floor
10 Park Plaza, Boston

The purpose of this open meeting will be to discuss updates and next steps in the State Demonstration to Integrate Care for Dual Eligible Individuals.

We welcome attendance from all stakeholders and members of the public with interest in this proposed Demonstration. Reasonable accommodations will be made for participants who need assistance. Please send your request for accommodations to Donna Kymalainen at:

Donna.Kymalainen@state.ma.us.

Money Follows the Person Stakeholder Meeting

May 18, 2012, 2:30 PM - 4:00 PM

Shrewsbury Office Amphitheatre
University of Massachusetts Medical School
333 South Street
Shrewsbury, MA 01545

At this meeting we will continue focusing on discussion topics that impact transitions such as assessing risk and developing strategies to mitigate risk. Please contact MFP@state.ma.us to RSVP and to request reasonable accommodations. Although RSVPs are greatly appreciated, they are not required.

Insurance Market Reform Work Group Open Stakeholder Meetings

The Insurance Market Reform Work Group, co-chaired by the Health Connector and the Division of Insurance, is hosting a series of open meetings to solicit feedback on a range of topics under its purview. The meeting schedule and proposed topics are highlighted below. If any interested persons are unable to attend the meetings in person, they can participate in the session by calling the number below. We highly encourage people to attend in person as the acoustics in the Hearing Room can be difficult.

Dialing Instructions:

Dial 1-877-820-7831

Pass Code 9630386# (please make sure to press # after the number).

Follow-up Meeting about Essential Health Benefit (EHBs) approach and options

April 27, 2012

10:00 - 11:30 a.m.

1000 Washington Street, Boston
Hearing Room E, DOI Offices

Potential ACA changes including open enrollment/special enrollment, eligibility appeals, termination, uniformity of forms

May 11, 2012

10:00 - 11:30 a.m.

1000 Washington Street, Boston
Hearing Room E, DOI Offices

Other issues (TBD)

May 25, 2012
10:00 - 11:30 a.m.
1000 Washington Street, Boston
Hearing Room E, DOI Offices

Bookmark the **Massachusetts National Health Care Reform website**
at: [http://mass.gov/national health reform](http://mass.gov/national_health_reform) to read updates on ACA implementation in
Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating
Medicare and Medicaid for Dual Eligible Individuals"** initiative.